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St. Bernard Battered Women's Program, Inc.

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Release Date JAN 23 2002

Financial Statements and Independent Auditor's Report For the Fiscal Year July 1, 2000 to June 30, 2001 And For the Short Fiscal Year April 1, 2000 to June 30, 2000

J. Heath & Co.
(A Corporation of Certified Public Accountants)

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St. Bernard Battered Women's Program, Inc.

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J. Heath & Co.

A Corporation of Certified Public Accountants

To the Board of Directors of
St. Bernard Battered
Women's Program, Inc.
Chalmette, Louisiana

Independent Auditors Report

We have audited the accompanying statements of financial position of St. Bernard Battered Women's Program, Inc. (BWP) as of June 30, 2001 and June 30, 2000, and the related statements of activities, functional expenses, and cash flows for the fiscal year ended June 30, 2001 and the short year April 1 to June 30, 2000. These financial statements are the responsibility of BWP's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, BWP's financial position as of June 30, 2001 and June 30, 2000 and its cash flows for the fiscal year ended June 30, 2001 and the short year April 1 to June 30, 2000 in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have issued our report dated January 11, 2002, on our consideration of BWP's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the result of our audit.



J. Heath & Co.
A Corporation of CPA's

Metairie, LA
January 11, 2002

St. Bernard Battered Women's Program, Inc.

Statement of Financial Position

As of June 30, 2001 and June 30, 2000

ASSETS

	<u>2001</u>	<u>2000</u>
Current Assets		
Cash and cash equivalents	4,181	32,456
Accounts Receivable	25,501	-
Total Current Assets	<u>29,682</u>	<u>32,456</u>
Fixed Assets		
Leasehold Improvements	2,765	2,765
Equipment	37,905	33,894
Furniture and Fixtures	26,424	26,424
Total Fixed Assets	67,094	63,083
Less: Accumulated Depreciation	<u>(55,215)</u>	<u>(41,141)</u>
Net Fixed Assets	<u>11,879</u>	<u>21,942</u>
TOTAL ASSETS	<u><u>41,561</u></u>	<u><u>54,398</u></u>

LIABILITIES & NET ASSETS

Liabilities		
Accounts Payable	<u>1,232</u>	<u>1,649</u>
Total Liabilities	<u>1,232</u>	<u>1,649</u>
Net Assets		
Unrestricted Funds	22,664	48,067
Temporarily Restricted Funds	<u>17,665</u>	<u>4,682</u>
Total Net Assets	<u>40,329</u>	<u>52,749</u>
TOTAL LIABILITIES & ASSETS	<u><u>41,561</u></u>	<u><u>54,398</u></u>

The accompanying notes are an integral part of these financial statements.

St. Bernard Battered Women's Program, Inc.
Statement of Activities

For the Fiscal Year Ending June 30, 2001 and the Short Year Beginning April 1 and Ending June 30, 2000

	<u>2001</u>			<u>2000</u>		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues and Other Support						
Contributions in-kind	\$ 42,000	\$ -	\$ 42,000	\$ 10,500	\$ -	\$ 10,500
Grants	-	30,194	30,194	-	9,817	9,817
Contributions - general public	8,395	-	8,395	5,818	-	5,818
Program service fees	178,603	-	178,603	40,901	-	40,901
Total revenue and other support	228,998	30,194	259,192	57,219	9,817	67,036
Expenses						
Program services:						
Shelter services	254,401	12,010	266,411	52,756	-	52,756
Legal advocacy	-	5,201	5,201	-	5,135	5,135
Total expenses	254,401	17,211	271,612	52,756	5,135	57,891
Change in Net Assets	(25,403)	12,983	(12,420)	4,463	4,682	9,145
Net assets, beginning of period	48,067	4,682	52,749	43,604	-	43,604
Net assets, end of period	22,664	17,665	40,329	48,067	4,682	52,749
	<u>\$ (25,403)</u>	<u>\$ 12,983</u>	<u>\$ (12,420)</u>	<u>\$ 4,463</u>	<u>\$ 4,682</u>	<u>\$ 9,145</u>

St. Bernard Battered Women's Program, Inc.

Statement of Functional Expenses

For the Fiscal Year Ended June 30, 2001 and the Short Year Beginning April 1 and Ending June 30,2000

	<u>2001</u>			<u>2000</u>		
	Shelter Services	Legal Advocacy	Total	Shelter Services	Legal Advocacy	Total
Salaries and employee benefits	\$ 142,144	\$ 5,201	\$ 147,345	\$ 27,301	\$ 5,135	\$ 32,436
Occupancy	79,423		79,423	14,211	-	14,211
Travel and transportation	7,108		7,108	542	-	542
Professional fees	4,415		4,415	485	-	485
Depreciation	14,074		14,074	2,518		2,518
Supplies	6,809		6,809	3,318	-	3,318
Client services	7,087		7,087	2,716	-	2,716
Telephone	3,063		3,063	1,154	-	1,154
Fundraising	1,474		1,474			-
Miscellaneous	816		816	511	-	511
Total expenses	<u>\$ 266,411</u>	<u>\$ 5,201</u>	<u>\$ 271,612</u>	<u>\$ 52,756</u>	<u>\$ 5,135</u>	<u>\$ 57,891</u>

St. Bernard Battered Women's Program, Inc.
Statement of Cash Flows

For the Fiscal Year Ended June 30, 2001 and the Short Year Beginning April 1 and Ending June 30, 2000

Cash Flow From Operating Activities	<u>2001</u>	<u>2000</u>
Change in net assets	\$ (12,420)	\$ 9,145
Depreciation	14,074	2,518
Change in accounts receivable	(25,501)	
Change in accounts payable	<u>(417)</u>	<u>1,649</u>
Net Cash Provided by Operating Activities	\$(24,264)	\$ 13,312
 Cash Flow From Investing Activities		
Payments for equipment	<u>4,011</u>	<u>7,454</u>
Net Cash Used by Investing Activities	4,011	7,454
Cash and cash equivalents, beginning of year	32,456	26,598
Cash and cash equivalents, end of year	<u><u>\$ 4,181</u></u>	<u><u>\$ 32,456</u></u>

The accompanying notes are an integral part of these financial statements.

St. Bernard Battered Women's Program, Inc.

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

Organization

Founded in 1987, St. Bernard Battered Women's Program, Inc. ("BWP") is a nonprofit organization providing programs and services to improve the quality of life for victims of domestic violence and their families in the St. Bernard parish area of southern Louisiana. BWP provides food, shelter, and clothing for women and children. Services provided include advocacy, referral, group and individual counseling for approximately 400 resident and 200 non-resident clients per year. The organization primarily receives reimbursements from the Louisiana Office of Women's Services, these reimbursements represent a substantial portion of the total recognized support.

BWP's programs include:

- Around the clock shelter to provide safe haven and temporary lodging for victims of family violence and their children.
- Emergency support and counseling services.
- Information and referral regarding education, job counseling, employment, training programs, housing, transportation, medical care, legal assistance, and other available social services.
- Advocacy assistance in obtaining access to civil and criminal courts and other community services.
- Educational and training programs to include outreach and prevention counseling services to non-residential survivors.
- Volunteer programs
- Children's counseling and support services and child care services for children who are victims of family violence.

BWP is licensed by the State of Louisiana to operate a family violence center.

Note 1–Summary of Significant Accounting Policies (cont’d)

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. Cost reimbursements by agencies and groups which BWP contracts with are recorded only upon receipt. These reimbursements are recorded as restricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of the support. All support is considered to be available for unrestricted use unless restricted specifically by the supporter.

BWP reports information regarding its financial position and activities according to three classes of assets, as applicable: unrestricted net assets, temporarily restricted assets, and permanently restricted net assets.

SFAS No. 117

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profits*. Under No. 117, BWP is required to report its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Also required is the presentation of a Statement of Cash Flows.

Unrestricted net assets represent those assets which the organization may use at its discretion.

Temporarily restricted net assets result from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that wither by passage of time or can be fulfilled and removed by actions of BWP pursuant to those stipulations.

Permanently restricted net assets result from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of BWP.

Note 1–Summary of Significant Accounting Policies (cont'd)

Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

BWP does not have any permanently restricted net assets for fiscal year ended June 30, 2001.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by the donor-stipulated restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

SFAS No 116

BWP has adopted Statement of Financial Accounting Standards (SFAS) no. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions are recognized when the donor makes a promise to give and are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

BWP reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When the donor restriction expires; that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The organization reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Note 1–Summary of Significant Accounting Policies (cont’d)

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a qualifying expenditure occurs or a time restriction expires, temporarily restricted assets are recognized in unrestricted net assets as “net assets released from restriction” in the statement of activities. However, if a restriction is fulfilled in the same period which the contribution is received, the contribution is reported as an unrestricted contribution.

Donated Facilities

Currently, the facility that houses the programs and administration is a private donation. This donated rent is recorded at fair market value as contributions in kind.

Donated Materials and Services

BWP records the value of donated goods and services received when there is an objective basis available to measure their value. Donated furniture and fixtures are reflected as contributions in the accompanying statements at their estimated values at date of receipt. No amounts have been reflected in the statements for donated food, clothing, or services as no objective basis is available to measure the value of such goods or services.

Property and Equipment

Land, major renovations and major repairs and equipment are stated at cost at the date of acquisition or renovation, or, if donated, at fair value at date of donation. Minor renovations or repairs are charged to operations and maintenance as incurred. Depreciation of furniture and equipment is provided on the straight-line basis over an estimated useful life of five years. Leasehold improvements are amortized over an estimated useful life of ten years. Amortization expense of leasehold improvements is included in the depreciation expense reported on the financial statements.

Income Taxes

BWP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950; it is not a private foundation.

Note 2 – Third-Party Reimbursements

BWP’s facility and administrative staff are entirely supported by a third party reimbursement from the State of Louisiana Office of Women’s Services. A two-year budget is approved and BWP is reimbursed monthly for costs that are within that budget.

BWP's legal advocacy programs are supported by two third party reimbursements from the Louisiana Bar Foundation and the Louisiana Commission on Law Enforcement and Administration of Criminal Justice.

Note 3 – Restrictions on Net Assets

Temporarily restricted net assets were available for the following purposes at June 30:

	<u>2001</u>	<u>2000</u>
Children's' Summer and After School Activities	\$0	\$4,500
Domestic Violence Support	17,355	
Community Emergency Shelter		
Provision and Maintenance	948	
Children's STEP Program	983	
Legal Advocacy and Support	<u>(1,621)</u>	<u> </u>
Total	<u>\$17,665</u>	<u>\$4,500</u>

Note 4 – Grants From Governmental Agencies

Included in the grants from governmental agencies is \$178,603 received under a contract with the State of Louisiana, Office of Women's Services and included \$57,814 of federal funds through United States Department of Health and Human Services in connection with the Federal Family Violence Prevention and Services Act. Federal funds in the amount of \$5,546 was received in connection with a sub-grant designated as the Domestic Violence Program as part of Stop Violence Against Women Act administered by the Louisiana Commission on Law Enforcement.

J. Heath & Co.

A Corporation of Certified Public Accountants

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
St. Bernard Battered
Women's Program, Inc.
Chalmette, Louisiana

We have audited the financial statements of St. Bernard Battered Women's Program, Inc. ("BWP") as of and for the year ended June 30, 2001, and have issued our report thereon dated January 11, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States,

Compliance

As part of obtaining reasonable assurance about whether BWP's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted a certain immaterial instance of noncompliance, which we have reported to management of BWP in a separate letter, dated January 11, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered BWP's internal control over financial reporting in order to determine our auditing procedures for the purposes of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting that might be a material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal

control over financial reporting and its operation that we consider to be material weaknesses. However, we noted one instance involving internal control over financial reporting, which we have reported to management of BWP in a separate letter dated January 11, 2002.

This report is intended solely for the information and use of the board of directors, management, others within the organization and applicable legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "J. Heath". The signature is fluid and cursive, with the first letter "J" being large and prominent.

J. Heath and Company

January 11, 2002

J. Heath & Co.
A Corporation of Certified Public Accountants

January 11, 2002

To the Board of Directors of
St. Bernard Battered Program, Inc.
Chalmette, Louisiana

In planning and performing our audit of the financial statements of St. Bernard Battered Women's Program, Inc. ("BWP") for the fiscal year ended June 30, 2001, we considered BWP's internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control.

As a result of this consideration, we developed the following observation and recommendation concerning certain internal control and other operational matters that are designed to help BWP make improvements and achieve operational efficiencies. Our comments reflect our desire to be of continuing assistance to BWP. Our current year comments are summarized as follows:

Internal Control Procedures – Expenses

Observation 01-1

During the audit fieldwork, it was noted that BWP petty cash procedures while imprest are not assigned to a person not responsible for check signing. Currently, the Executive Director handles all balancing and replenishment of the petty cash for BWP. While no fraudulent activity was noted, generally it is better to separate the duties and responsibilities of the petty cash system to improve internal control.

Recommendation

It was suggested that these responsibilities be turned over to a non-executive position at BWP, and that person complete a petty cash request voucher that would replenish the fund.

Management's Response

Management has noted the need for segregation of duties and will improve to the extent staffing allows.

Observation 01-2

It was also noted during our fieldwork that BWP has no expense vouchering system, complete with reasons for the expense and approvals for a check to be released. All of these duties are carried out with the signing of the check. Again, no fraudulent activity was noted, but its better from an internal control standpoint to separate the duties and have the Executive Director approve the expense by initialing the voucher. Then an expense check could be released.

Recommendation

It was suggested that the assembly responsibilities of the voucher and invoice be turned over to a non-executive position at BWP, and that person complete an expense voucher (complete with account and activity coding) that would be approved by the Executive Director before an expense check is released.

Management's Response

Management has noted the need for segregation of duties and will improve to the extent staffing allows.

It should be understood that our comments deal exclusively with operational matters, and should not be regarded as reflecting on the integrity or the capabilities of anyone in your organization. It should be further recognized that our comments have been restricted to suggested improvements, and are not intended as a commentary on the various favorable aspects of BWP's procedures and controls.

We appreciated the cooperation we have received from BWP personnel and the opportunity to have been of service to you and BWP. This report is intended solely for the information and use of the Board of Directors, management, and others within BWP. In the event you have any questions or require additional information with respect to matters discussed in the accompanying report, please do not hesitate to contact us.

Very truly yours,



J. Heath & Co.